

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 01517 01 OF 02 011614Z
ACTION STR-07

INFO OCT-01 STRE-00 EUR-12 EA-10 IO-13 ISO-00 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
CTME-00 AID-05 SS-15 ITC-01 TRSE-00 USIA-06
PRS-01 SP-02 SOE-02 OMB-01 DOE-11 DOEE-00 SSO-00
/125 W

-----116708 011631Z /42

P 011541Z FEB 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 5387
INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 01517

USMTN

STR FOR ACTION

STR PASS CODEL

E.O. 11652: N/A
TAGS: MTN, ETRD, JA
SUBJECT: MTN: BILATERAL DISCUSSION WITH JAPANESE ON
SUBSIDIES/COUNTERVAILING DUTY

REF: (A) GENEVA 1460; (B) GENEVA 12241

1. SUMMARY: PER AGREEMENT IN REF (A), US AND JAPAN
MET BILATERALLY TO DISCUSS THE FUTURE WORK PROGRAM
IN SUBSIDY/COUNTERVAILING DUTIES. JAPANESE DEL STRESSED
THE NEED TO HAVE SPECIFIC U.S. IDEAS ON SUBSIDY
RULES IN ORDER TO ILLICIT DECISIONS FROM TOKYO AND
REITERATED HIS DESIRE TO ENGAGE IN BILATERAL DISCUSSION
ON THE BASIS OF A NEUTRAL DOCUMENT RATHER THAN THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 01517 01 OF 02 011614Z

US/EC TEXT DISTRIBUTED BY THE GATT SECRETARIAT IN
MTN/INF/13 (REF (B)). END SUMMARY.

2. US DEL (NEWKIRK) PROVIDED BACKGROUND OF THE DRAFTING
OF THE US/EC OUTLINE OF APPROACH ON SUBSIDY/CVD (MTN/INF/
13) AND POINTED TO THE NEW U.S. DISCUSSION PAPER (REF (A))
AS A FURTHER ELABORATION. JAPANESE DEL (UKAWA) APPRE-

CIATED THIS EXPLANATION AND SAID THAT THE REASON THE JAPANESE CIRCULATED ITS "NON-PAPER" WAS THAT THEY FELT "UNEASY" ABOUT BASING WORK ON A DOCUMENT AGREED TO BY THE U.S./EC WHICH MAY CONTAIN IMPLICIT UNDERSTANDINGS OF WHICH THE JAPANESE ARE UNAWARE. GOJ DID NOT HAVE OBJECTIONS TO THE CONTENT OF THE DOCUMENT BUT PREFERRED TO INITIATE DISCUSSIONS ON THE BASIS OF A NEUTRALLY WORDED AGENDA. UKAWA REITERATED GOJ'S INTEREST FOR THE US TO ADOPT AN INJURY CLAUSE BUT NOTED THAT THEY HAVE LITTLE SUBSTANTIVE CONCERN WITH THE U.S. LAW SINCE, ACCORDING TO UKAWA, GOJ DOES NOT SUBSIDIZE INDUSTRIAL PRODUCTS AND IS NOT A SIGNIFICANT AGRICULTURAL EXPORTER. THEY ARE CONCERNED, HOWEVER, ABOUT THE US INVESTIGATORY PROCEDURES AND WOULD LIKE TO FIND A SOLUTION TO LESSEN PROBLEMS WHICH ARISE FROM SUCH PROCEDURES. IN THE SAME VEIN, GOJ WAS INTERESTED IN REFINING THE LIST OF EXPERT SUBSIDIES (THE 1960 GATT EXPORT'S LIST) TO LESSEN THE POSSIBILITY OF DISPUTES ARISING AS TO WHAT CONSTITUTES A COUNTER-AVAILABLE SUBSIDY. A POLICY CONCERN VOICED BY UKAWA WAS THAT, IN FENDING OFF DOMESTIC PROTECTIONIST PRESSURES IN JAPAN, GOJ WOULD LIKE TO POINT TO AN INTERNATIONAL COMMITMENT HONORED BY ALL ON THE USE OF CVD'S RATHER THAN BEING ASKED TO EMULATE THE US ADMINISTRATION OF ITS LAW (I.E. IMPOSITION OF CVD'S WITHOUT INJURY). UKAWA EXPLAINED THAT WHILE CONCEPTUALLY THEY HAVE LESS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 01517 01 OF 02 011614Z

DIFFICULTY THAN OTHERS WITH THE U.S. POSITION ON SUBSIDIES, DOMESTIC AGRICULTURAL PRESSURES FORCED THEM TO SIDE WITH THE EC IN PUBLIC MEETINGS. ON A SPECIFIC POINT, UKAWA QUERIED WHETHER THE U.S. WOULD ACCEPT AN INJURY CRITERIA WITH RESPECT TO INDUSTRIAL PRODUCTS AND NOT ON AGRICULTURAL PRODUCTS. THE U.S. NOTED THE STATEMENT CONTAINED IN MTN/INF/13 TO THE EFFECT THAT IF SUBSIDY RULES WERE NOT ESTABLISHED ON PRIMARY PRODUCTS THE STATUS QUO ON CVD'S IN THIS FIELD WOULD REMAIN.

3. A KEY MESSAGE THAT UKAWA WISHED TO CONVEY WAS THE NEED FOR THE U.S. TO PRESENT SPECIFICS AS TO WHAT THE US WANTED WITH RESPECT TO RULES ON SUBSIDIES SO THAT HE COULD GET BASIC DECISIONS ON POSSIBILITY FOR NEGOTIATIONS IN TOKYO. GOJ IS NOW IN THE PROCESS OF CONDUCTING AN INTERNAL REVIEW ON SUBSIDIES/CVD WHICH UKAWA BELIEVES WILL BE COMPLETED BY MID-FEBRUARY. AS AN EXAMPLE OF A HELPFUL QUESTION ON WHICH TOKYO COULD FOCUS, UKAWA POINTED TO THE QUERY AMBASSADOR WOLFF MADE IN TOKYO AS TO WHETHER THE GOJ WOULD UNDERTAKE NOT TO SUBSIDIZE AGRICULTURAL PRODUCTS THAT ARE NOT NOW

RECEIVING SUBSIDIES. NEWKIRK INDICATED THAT WASHINGTON AGENCIES WERE IN THE PROCESS OF DRAWING UP MORE SPECIFIC LANGUAGE TO BETTER CLARIFY U.S. OBJECTIVES ON SUBSIDIES. UKAWA RESPONDED THAT IF SUCH SPECIFIC POINTS WERE PRESENTED TO GOJ HE WOULD ENVISAGE A TWO-WEEK TURNAROUND TIME FOR A TOKYO RESPONSE.

4. AS TO THE NEXT STEP, NEWKIRK INDICATED THAT THE US WOULD LIKE TO HOLD A HIGH LEVEL BILATERAL/PLURILATERAL MEETING AT THE WOLFF/MCDONALD LEVEL ON THE FRINGES OF FEBRUARY'S GATT G-18 MEETING. UKAWA SAID THEY WOULD BE WILLING TO PARTICIPATE, PREFERABLY ON A BILATERAL BASIS, AND THAT, SUBJECT TO PARLIMENTARY CONFIRMATION, THE NEWLY APPOINTED DIRECTOR-GENERAL OF ECONOMIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 01517 01 OF 02 011614Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 01517 02 OF 02 011613Z
ACTION STR-07

INFO OCT-01 STRE-00 EUR-12 EA-10 IO-13 ISO-00 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
CTME-00 AID-05 SS-15 ITC-01 TRSE-00 USIA-06
PRS-01 SP-02 SOE-02 OMB-01 DOE-11 DOEE-00 SSO-00
/125 W

-----116696 011631Z /42

P 011541Z FEB 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 5388
INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 01517

USMTN

STR FOR ACTION, PASS CODEL

BUREAU FOR MINISTRY OF FOREIGN AFFAIRS (MOTOMO'S

SUCCESSOR) TESHIMA, WOULD BE ATTENDING THE G-18. UKAWA
SUGGESTED WE MEET AGAIN THE WEEK OF FEBRUARY 13 OR 20,
PRIOR TO THE HIGH LEVEL MEETING TO DISCUSS FURTHER
DEVELOPMENTS OF POSITIONS.

5. DRAFTED BY WALLAR. MCDONALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COUNTERVAILING DUTIES, EXPORT SUBSIDIES
Control Number: n/a
Copy: SINGLE
Draft Date: 01 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA01517
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780048-0441
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197802107/aaaadm wz.tel
Line Count: 176
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f97308ce-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 1460, 78 GENEVA 12241
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3445866
Secure: OPEN
Status: NATIVE
Subject: MTN: BILATERAL DISCUSSION WITH JAPANESE ON SIDIES/COUNTERVAILING DUTY
TAGS: ETRD, JA, US, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f97308ce-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014